Ring up profits for your clients and firm!
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Accounting software vendors have recognized the need for reliable point of sale (POS) information and have begun to incorporate POS capabilities into their packages. That offers merchants a golden opportunity to increase efficiency and the bottom line by automating many traditional manual functions. Allen Walker of DacEasy Inc. says that with a product like DacEasy Accounting, a merchant can use virtually any PC, add a few peripherals such as a cash drawer and a receipt printer, and create a cash register for $1,000 or less that is a state-of-the-art POS terminal. According to Michael Anctil of American Business Systems Inc., with a product such as the ABS Point of Sale System, vital information like inventory can be updated on a real-time basis. This allows merchants to hold down carrying costs and become more competitive. More important, it can lead to increased sales.

Want to ring your firm's cash register more often? Well you can, just by helping your clients ring theirs. But to do this you have to know the ins and outs of point of sale (POS) technology. Just what exactly is POS technology? The answer varies depending on whom you talk to. For instance, bankers and the point of sale software vendors who support them generally emphasize payment options, authorization response times, multi-card terminal functionality, and merchant discount fees. By contrast, small-business owners and their accountants need inventory tracking, accounts receivable management, and information that unlocks the secrets of customer purchasing preferences.

Accounting software vendors have recognized the need for reliable POS information and have begun to incorporate POS capabilities into their packages. That gives you and your clients a golden opportunity to increase efficiency and the bottom line by automating many traditional manual functions.

"Point of sale is becoming a fairly significant market," says Allen Walker, vice president of research and development at DacEasy Inc., a major accounting software vendor based in Dallas, TX. With a product like DacEasy Accounting, explains Walker, a merchant can use virtually any PC, add a few peripherals (such as a cash drawer and a receipt printer), and create a cash register for $1,000 or less that's a state-of-the-art point of sale terminal.

A thousand bucks is a lot less than what large merchant outlets are paying to automate the point of sale function, observes Michael Anctil, the national sales manager of American Business Systems, Inc. in Chelmsford, MA. Anctil estimates that a large retail chain, with 100-plus stores each housing 15 checkout lanes, can shell out $6,000 or more to automate each check-out counter with a full-blown POS system from a major supplier like IBM or NCR. Furthermore, says Anctil, the systems provided by these big corporations aren't adaptable to the smaller-sized retailing environments. "The larger organizations don't address these retailers," he says.

With a product such as the ABS Point of Sale System, vital information like inventory can be updated on a real-time basis rather than on an hour-by-hour or end-of-day basis. Says Anctil, "Because we're dynamic, we know immediately what the effect of a sale is on inventory, on the financial side of the business. For

the smaller organization, where profit margins are on the 1 percent, 2 percent, 3 percent level, that's critical."

The real-time link to inventory provided by a dynamic PC-based POS system lets merchants hold down carrying costs and become more competitive. And perhaps more importantly, it can lead to increased sales. A dynamic POS system gives a sales clerk the ability to scan the store's inventory and locate products for customers without ever having to leave the check-out station. "That's where a computerized POS system has advantages over a register-based system," says Anctil. "It allows the merchant to be more competitive."

The traditional point of sale vendors--the cash register makers--have not abandoned the small-merchant market. NCR, which first entered America's stores as a major supplier of traditional cash registers, is now attempting to cash in on the point of sale boom. It's forging bridges between its hardware and back-office accounting systems.

For example, the company has formed a partnership with ReMACS, a Redwood City, CA, firm that develops software for the food and beverage services industry. ReMACS Point of Sale Manager is designed to let restaurant and bar owners retrieve information from point of sale devices into a PC-based accounting system.

"We're an in-between system," explains ReMACS president Dave Douglas. The ReMACS Point of Sale Manager currently is installed at about 3,000 locations, he estimates.

At a cost of $1,295, ReMACS Point of Sale Manager reads data from a point of sale system and translates it into an appropriate accounting format for downloading to a PC-based accounting system. Details of when and how to poll a POS device, and what precise information to retrieve, is easily defined by the user, Douglas says.

However, bridging a cash register with a PC-based accounting system is an expensive and cumbersome solution for many merchants.

"The problem is that the heart and soul of these systems [cash registers] isn't designed to do things like track inventory or receivables," observes Chuck Kinch, president of Paragon Retail Systems, located in Boca Raton, FL. For someone who operates just one store, is there most of the time, and is intimately familiar with their stock and customer buying habits, a standard electronic cash register might suffice, suggests Kinch. However, as the number of business locations and employees grows, a fully integrated point of sale system becomes mandatory.

The PC-based POS systems that are available in the market today, observes Kinch, provide new levels of information for the small-business operator.

Paragon's Retail+Plus Management System, for example, integrates with a host of accounting packages, including Manzanita Software's BusinessWorks Integrated Accounting System and Computer Associates' ACCPAC line. It automatically updates inventory with each sale, provides reports on individual product sales, and delivers a host of other information to the merchant.

Paragon is one of five different software houses that provide a point of sale link to Manzanita's BusinessWorks. Corley Phillips, president of Sacramento-based Manzanita, says he chose the third-party route to point of sale because the need for POS information varies widely by vendor and market segment. Notes Phillips, "POS is not a single vertical market; different retailers serve different markets. We felt it was a better strategy to work with software developers who are experts in these markets."

Accordingly, several different point of sale systems are available for BusinessWorks users. For instance, Paragon's POS software is recommended for BusinessWorks' hard-goods retailers, while Specialized Business Solutions' Keystroke software is recommended for gift store operators. Other companies that make third-party point of sale software packages recommended for BusinessWorks users include CAP Automation (computer and electronic stores), Retail Technologies International (clothing and apparel outlets)l and AIM Systems (general merchandise stores).

Several other leading accounting software vendors have also turned to third parties for point of sale modules that will integrate with their packages. Some of the biggest players taking this approach include Computer Associates, Macola Incorporated, Platinum, SourceMate, and Solomon Software.

"We like to do what we do best," relates Sharon Hoepf, product marketing analyst at Solomon. "In retail management, we don't necessarily have the expertise. Someone who just does that can do so much better."

A THOUSAND POINTS OF SALE

Many software packages that automate the POS function are available, but the usefulness and cost of the software varies considerably. POS packages can currently be purchased for as little as $100 and may easily cost several thousand dollars. But you have to investigate the POS market carefully before you buy.

"There's a lot of junk out there," warns Kinch of Paragon. Many business owners, he suggests, will find themselves stuck with POS software that simply cannot meet their needs, particularly as their businesses grow. And, he adds, vendors also have an obligation to educate themselves about the nature of their prospective customers' businesses.

At a base price of $2,995, Paragon's Retail+Plus Management System is one of the higher-priced point of sale packages. "We find it best to work with customers through an education process," says Kinch in explaining his company's sales process. "We try to build a profile of a customer's business. Only when we're sure we have a good fit do we prescribe a solution."

Not every vendor takes the hand-holding approach to selling POS software. Still, most insist that their products offer viable solutions that are well-accepted in the marketplace.

RealWorld Corp., for example, has sold upwards of 7,000 copies of its small-business POS package, POS+, over the past several years through a value-added reseller (VAR) network, says spokesman Mark Moreau. It has heard few, if any, complaints. "It's a very simple package," insists Moreau. However, finding POS software that's easy for small-business owners to understand and operate isn't always easy. Take Tony Bruno, of Buckman and Bruno, an accounting and tax firm based in St. Simons Island, GA, for example. Bruno looked high and low for POS software to recommend to his small-business customers before finally settling on a package from Ghost Software.

"The problem we ran into was most POS software packages weren't really made for the small-business manager who doesn't have a computer background," explains Bruno. "Integration [with accounting systems] often makes it so difficult, the merchant has to have a degree in accounting and a minor in computer science."

Bruno says he settled on Ghost Software because it can be integrated with Quicken, Intuit's personal finance package, used by many of his clients. The Ghost software package costs between $395 and $545 retail.

The typical small-business operator, Bruno contends, needs decision support capabilities but doesn't require a lot of the fancy charting and graphing capabilities found in many POS software packages. Ghost Software's POS package provides those capabilities, he says, and is easy to use. Features include inventory control, accounts payable, accounts receivable, and the ability to print and read bar codes. There is even an optional interface for credit card processing.

"The only thing you need to carry to the bank is the cash and checks," says Bruno, in describing the benefits of a credit card interface. "That's one of the biggest time-saving features."

Not all POS software can accommodate credit card processing, or even the authorization procedures associated with credit card and check acceptance. However, there is a growing sense among vendors and accountants that this capability will soon gain in popularity. "I expect to see more of these coming out," predicts Bruno.

FRAUD FUELS POS GROWTH

Credit card and check fraud are increasing at an astronomical rate and are fueling interest in point of sale systems. Estimates vary, but some experts believe merchants and banks lose as much as $10 billion a year on bad checks alone. That gives merchants who accept checks and credit card payments a big incentive to examine on-line authorization processes. In fact, most banks will significantly slash credit card processing fees for vendors who are electronically linked to the Visa and MasterCard networks for transaction automation.

In the typical electronic authorization POS environment, a small counter-top device reads information coded on the magnetic strip found on the back of the credit card. The sale amount is then entered using a keypad connected to the authorization device. All necessary information is transferred to the merchant's bank during the authorization process. If the charge is accepted, the money is automatically credited to the merchant's account at its bank.

For a merchant with a large volume of credit card payments to be deposited, electronic authorization and automatic bank crediting produce significant time and labor savings. For starters, they eliminate the time-consuming chore of separating and bundling credit card tickets for bank deposits. Better yet, when point of sale software supports electronic authorization and integrates with back-office accounting software, the deposits are automatically recorded on the merchant's books.

VeriFone Inc., a Redwood City, CA firm that specializes in transaction automation, is a leading provider of credit card authorization terminals. It recently introduced a software application that links DOS-based personal computers used at the point of sale with the company's PNC 330 line of transaction automation systems. Called PNC+Plus, the software eliminates the need for double entry of transaction amounts and helps transfer data directly between a PC and a VeriFone credit card authorization terminal. VeriFone's PNC+Plus is available through VARs at prices ranging from $129 to $169.

For merchants who prefer not to clutter their counters with credit card authorization equipment, Memphis-based Synchronics offers point of sale systems that can dial into any of six credit card authorization networks and automatically adjust data, upon approval. "We don't just offer you one processor," boasts Synchronics president Jeff Goldstein. "You can work with virtually any bank in the United States using our software."

Electronic check authorization works the same way as electronic credit card authorization, but instead of reading a magnetic strip, the hardware reads the line of numbers located at the bottom of a check, known as the Magnetic Ink Character Recognition (MICR) line. Typically, the MICR reader checks the customer

against a database of bad-check writers maintained by a third party, such as TeleCheck or Telecredit.

WHAT TO BUY

So what should you look for when evaluating a POS system? First, find out what is most important to your client. Bruno suggests compiling a list of three or four client criteria and evaluating the software based on its ability to perform those tasks automatically. For example, does the retailer want to track inventory turnover, profit margins, sales by employee, all of these, or some other trend?

Once you make a thorough needs assessment, it's time to start looking at specific applications. When shopping for a POS system, find out how many merchants are already using it. A large installed base can be an important indicator of customer satisfaction.

Perhaps most importantly, make sure the software offers ease of operation and permits future growth. "Buy a package that does everything, even if you're not going to use everything immediately," Bruno advises.

POS software gives you a chance to help clients, and your bottom line.

THE DAWNING OF POS DEBIT

For nearly two decades, bankers and futurists have touted debit cards as the wave of the future at the merchant check out. Well, after countless false starts and numerous roadblocks, most expert believe the era of debit cards is finally dawning.

For instance, Visa U.S.A., the mammoth bank-owned credit card association, is launching a broad-based marketing and consumer education campaign to fuel interest in debit cards--which it calls "check cards".

The potential market for POS debit cards is too big to be ignored. More than 35 million Americans currently carry automated teller machine cards, which can also be used to make point of sale payments. And Visa officials expect that number to triple by the year 2000.

The number of transactions that can be paid for using these enhances ATM cards is vast--Americans today initiate 100 billion transactions a year at the retail point of sale using checks and cash. By converting those transactions to debit cards, proponents hope to convince merchants they will be able to reduce check handling and cash carrying costs.

Visa officials estimate that by the end of 1997--provided their education/promotional efforts work--the average consumer will tender his or her debit card at the point of sale 10 times each month, and will slash the use of checks in half.

Visa's expectations may be a bit optimistic, but most outside experts agree debit will prove a viable payment option in the future.

"I fully expect to see debit coming on line," says Tony Bruno, of Buckman and Bruno, an accounting and tax firm based in St. Simons Island, GA.

Bill Westervelt, principal, First Annapolis Consulting, Annapolis, MD, concurs. Westervelt predicts 19 billion to 20 billion transactions a year will be conducted at the point of sale with debit cards by the end of the decade. "The potential for debit is huge," he says.

Recent findings released by the Gallup Organization drive this point home. Nearly 50 percent of

consumers polled this past summer said writing checks is inconvenient. Among those who use debit cards at the point of sale, 55 percent said they steer away from using checks and cash when paying for retail purchases.

In order to cash in on the coming debit card boom, your clients will need the on-line capabilities found at the heart of a state-of-the-art POS system. That's all the more reason to consider adding this kind of a POS system to your client's arsenal.

POINT OF SALE VENDOR DIRECTORY

Abacus Accounting Systems, Inc. has incorporated POS into its Abacus II accounting system. Cost: $495 single user; $995 multi-user. 12 S. Main St., Minot, ND 58701, (800) 992-0616. Circle No. 112

AIM Systems offers PC/Register, POS software that integrates with several accounting packages, including Solomon III. Cost: $595, $195 for credit card authorization and inventory count verification modules. 935 12th St., Paso Robles, Ca 93446, (805) 238-4567. Circle No. 113

American Business Systems, Inc.'s Point of Sale System integrates with ABS Accounting System. Cost: $2,400 for a multi-user installation. Unix-based system available. 315 Littleton Rd., P.O. Box 460, Chelmsford, MA 01824, (508) 250-9600. Circle No. 114

Armor Systems, Inc.'s Premier accounting system features a point of sale module. Armor also offers Quick Sale, a package that tracks inventory and accounts receivable. Cost: $695 per module. 324 N. Orlando Ave., Maitland, FL 32751, (407) 629-0753. Circle No. 115

Aulabaugh Consulting Group, Inc. has Cashtrax, a POS software package that integrates with Macola accounting systems and offers an add-on module for credit card processing. Cost: $795. P.O. Box 55, Urbana, IL 61801, (217) 328-3000. Circle No. 116

Business Tools Software offers the Point of Sale 4.0 module, which integrates with Advanced Accounting 4.0. Cost: $199, single or multi-user versions. 1507 E. Franklin St., Ste. 212, Chapel Hill, NC 27515, (800) 648-6258. Circle No. 117

CAP Automation offers three POS software packages--Retail Inventory Program, CAP POS, and SellWise. Only SellWise integrates with accounting software, specifically Manzanita's BusinessWorks. Cost: $1,495 for single-user version; network version available. 3737 Ramona, Fort Worth, TX 76116, (800) 826-5009. Circle No. 118

ClearView offers EaSI Point of Sale, which runs with Solomon III Version 7.01 or higher. Cost: $795 for single-user workstation. 504 Interchange Blvd., Newark, DE 19711, (302) 366-0801 Circle No. 119

DacEasy Inc. makes the DacEasy Accounting 4.4 Series. The Point of Sale module is sold as an add-on. Cost: $199 single user; $399 multi-user version. 17950 Preston Rd., Ste. 800, Dallas, TX 75252, (214) 248-0305 Circle No. 120

Data Pro Accounting Software offers a Point of Sale module that integrates with its general accounting systems and performs on-line credit card authorizations. Cost: $695 to $1,295. 5439 Beaumont Center Blvd., Ste. 1050, Tampa, FL 33634, (813) 885-9459. Circle No. 121

Franklin POS Systems sells a PC-based system that automates the order entry, inventory control, and accounts receivable components of POS. The system integrates with SourceMate accounting systems.

Cost: $595 single-user version; $1,495 multi-user source code. 8826 Santa Fe Dr., Overland Park, KS 66212, (800) 544-2257. Circle No. 122

Ghost Software Inc. has developed Small Business Manager, stand-alone POS software that interfaces with Intuit's Quicken line and primarily targets home businesses. Cost; $395 single-user version; $545 network version; optional credit card program sells for $395/$495. 31 Sherborne Rd., Savannah, GA 31419, (800) 725-9264. Circle No. 123

Great Plains Software offers basic POS functionality through its Order Entry with POS module, which integrates with Great Plains' full line of accounting software. Cost of DOS-based module: $795. 1701 SW 38th St., Fargo, ND 58103, (800) 456-0025. Circle No. 124

IBM Corp. has begun integrating PC-based point of sale systems with its electronic cash register products. Retail Application/DOS links the point of sale application with standard back-office accounting systems. Cost: Hardware and software sell for about $4,000. IBM Retail Industry Marketing, 4111 Northside Pkwy, Atlanta, GA, (404) 238-3426. Circle No. 125

IMS Island Microsystems Ltd.'s CounterSales interfaces with Computer Associates' ACCPAC Plus Inventory Control and Accounts Receivable module to form a Comprehensive POS system. Cost: $795. 160 10th Ave., Campbell River, British Columbia, Canada, (604) 286-0624. Circle No. 126

MicroBiz Corp. offers hardware and software solutions for merchant POS applications. The MicroBiz MicroStation hardware runs software designed for specific market segments, including video stores, salons, and auto repair shops. Cost: $3,995 for the MicroStation, software starts at $895. 500 Airport Executive Park, Spring Valley, NY 10977, (800) 637-8268. Circle No. 127

MSS Computer Systems markets the Superclerk Point of Sale System, which integrates the merchant point of sale function with ACCPAC. Superclerk primarily targets boutiques. Cost: $895. 17511-107 Ave., Ste. 206, Edmonton, Alberta, Canada, (403) 486-0493. Circle No. 128

M-USA Business Systems Inc. has incorporated POS software into its newly unveiled Mondial accounting software. Cost: $199.95. 15806 Midway Rd., Dallas, TX 75344, (214) 386-6100. Circle No. 129

OmniSoft Systems has two POS modules that integrate with Solomon III--Simply Retail IV and YakSol Point-of-Sale Retail Management System. Cost: Simply Retail $995; YakSol, $2,595. 31849 Pacific Hwy. South, Ste. 110, Federal Way, WA 93003-5400, (206) 661-7000. Circle No. 130

Paragon Retail Systems' Retail+Plus Management System (RPMS) integrates with most accounting packages, including BusinessWorks. Cost: $2,995 for a single-location, single-user license. 6421 Congress Ave., Ste. 110, Boca Raton, FL 33487, (800) 544-8364. Circle No. 131

RealWorld Corporation offers two POS systems. RealWorld Point of Sale Plus targets businesses with sales of up to $1.5 million. The higher-end product is a POS module that links to RealWorld Accounting and Business Software Version 6.5. Cost: $495 for POS+; $895 for the POS module. 282 Loudon Rd., Concord, NH 03302, (800) 678-6336. Circle No. 132

ReMACS has developed a restaurant management and control system that enables a POS device to communicate with a PC running accounting software. Interfaces with RealWorld software and NCR cash registers. Cost: $1,295. 240 Twin Dolphin Dr., Ste. E, Redwood City, CA 94065, (415) 591-8600. Circle No. 133

ReSTAR Inc.'s TransManager system retrieves information form cash register-oriented POS systems for ACCPAC Plus, and is designed for the restaurant, food service, and hotel industries. Cost: $895. 360 Tolland Tpk., Ste. 1D, Manchester, CT 06040, (203) 643-1456. Circle No. 134

Retail Technologies International has developed Retail Pro, a comprehensive POS system for softgoods retailers. The system integrates with BusinessWorks. 4800 Manzanita Ave., Carmichael, CA 95608. (800) 233-0793. Circle No. 135

Specialized Business Solutions' Keystroke software provides POS capabilities and integrates with Manzanita, Macola, Computer Associates, and Cyma Systems accounting software. Cost: $695 single user; $995 for network configuration. 215 Long Beach Blvd., Ste. 523, Long Beach, CA 90802, (800) 359-3458. Circle No. 136

State of the Art offers POS as one of 15 modules in its MAS 90 Evolution/2 line. The module links a retailer's cash register directly to its accounting system. Cost: $1,000 for POS module. 56 Technology, Irvine, CA 92718, (714) 753-1222. Circle No. 137

Synchronics has developed several modular POS workstation packages that integrate with Great Plains and RealWorld accounting systems. 6584 Poplar Ave., Ste. 200, Memphis, TN 38138, (800) 852-5852. Circle No. 138

Teleware, Inc. sells BestBooks, a bookkeeping package geared toward home-based businesses with modest POS needs, and M.Y.O.B., geared toward small businesses that need to track inventory. Cost: BestBooks, $99.95; M.Y.O.B., $199.95. 22 Hill Rd., Parsippany, NJ 07945, (201) 586-2200. Circle No. 139

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